

NON-PUBLIC

CONFIDENTIAL

13FCOMP

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

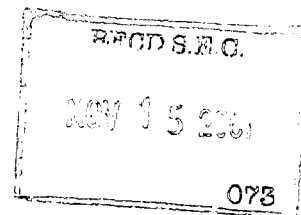


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Form 13F

Form 13F COVER PAGE



Report for the calendar year or quarter ended: September 30, 2001

Check here if Amendment [ ]; Amendment Number: \_\_\_\_\_  
This Amendment (Check only one.): [ ] is a restatement.  
[ ] adds new holding entries.

Institutional Investment Manager Filing this Report:

Name: Staro Asset Management, L.L.C.  
Address: 1500 W. Market Street  
Suite 200  
Mequon, WI 53092

CONFIDENTIAL TREATMENT DENIED  
and  
CONFIDENTIAL TREATMENT EXPIRES

Form 13F File Number: 28- 5806

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Colin M. Lancaster  
Title: General Counsel  
Phone: (262) 241-1810

PROCESSED

JAN 23 2004

THOMSON FINANCIAL

Signature, Place, and Date of Signing:

Mequon, WI November 12, 2001

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Report Type (Check only one.):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager: None.

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FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 0

Form 13F Information Table Entry Total: 238

Form 13F Information Table Value Total: \$1,285,740  
(thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

None.

Form 13F

STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Act Mfg. Inc.	Common	000973107	\$182	40,900	Shares	Sole		X	
Analog Devices, Inc.	Common	032654105	\$301	9,200	Shares	Sole		X	
Adelphia Communications	Option	006848905	\$8,325	3,750		Call		X	
AES Corporation	Option	00130H905	\$321	250		Call		X	
Affymetrix, Inc.	Debt	00826TAB4	\$14,096	21,000	Prn. Amt.			X	
Standard Automotive	Common	853097103	\$15	44,000	Shares	Sole		X	
Standard Automotive	Preferred	853097202	\$23	64,730	Shares	Sole		X	
Alpharma, Inc.	Debt	020813AD3	\$5,450	5,000	Prn. Amt.	Sole		X	
Alliance Semiconductor	Common	01877H100	\$735	102,300	Shares	Sole		X	
Alexion Pharmaceuticals	Debt	015351AB5	\$3,570	6,050	Prn. Amt.	Sole		X	
Applied Micro Circuits	Common	03822W109	\$140	20,000	Shares	Sole		X	
Affiliated Managers Group	Common	008252108	\$426	7,500	Shares	Sole		X	
Affiliated Managers Group	Debt	008252AC2	\$5,020	5,625	Prn. Amt.	Sole		X	
AMR Corp. (American Airlines)	Common	001765106	\$785	41,000	Shares	Sole		X	
American Tower Corp. Class A	Option	029912951	\$695	500		Put		X	
American Tower Corp.	Debt	029912AB8	\$4,444	5,000	Prn. Amt.	Sole		X	
AOL Time Warner, Inc.	Option	00184A905	\$3,972	1,200		Call		X	
AOL Time Warner, Inc.	Option	00184A955	\$3,476	1,050		Put		X	
At Home Corp. - Series A	Common	045919107	\$150	1,000,000	Shares	Sole		X	
Anixter International	Debt	035290AC9	\$591	2,250	Prn. Amt.	Sole		X	
Autozone, Inc.	Option	053332902	\$2,593	500		Call		X	
Bank of America Corp.	Option	060505904	\$16,060	2,750		Call		X	
Budget Group Inc. - Class A	Common	119003101	\$308	200,000	Shares	Sole		X	
Franklin Resources, Inc.	Debt	354613AA9	\$2,424	4,500	Prn. Amt.	Sole		X	
Brocade Communications Sys.	Common	111621108	\$655	46,700	Shares	Sole		X	
Brocade Communications Sys.	Option	111621908	\$2,175	1,550		Call		X	
Barr Laboratories, Inc.	Option	068306909	\$1,977	250		Call		X	
Biovail Corporation	Warrant	09067J117	\$97,392	668,900	Shares	Sole		X	
Cooper Cameron Corporation	Debt	216640AA0	\$9,399	13,500	Prn. Amt.	Sole		X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/Prn. Amt.			Put/Call	Voting Authority
Cooper Cameron Corporation	Debt	216640AB8	\$19,013	22,500	Prn. Amt.	Sole		X	
Chubb Corporation	Option	171232901	\$3,571	500		Call		X	
Clear Channel Communications	Option	184502952	\$735	185		Put		X	
Cendant Corporation	Common	151313103	\$5,856	457,840	Shares			X	
Cendant Corporation	Option	151313953	\$959	750		Put		X	
Cephalon, Inc.	Option	156708909	\$1,496	300		Call		X	
Cephalon, Inc.	Option	156708959	\$499	100		Put		X	
Cephalon, Inc.	Debt	156708AC3	\$15,968	17,722	Prn. Amt.			X	
Charter Communications, Inc.	Debt	16117MAB3	\$12,694	15,000	Prn. Amt.			X	
Ciena Corporation	Debt	171779AA9	\$1,994	3,386	Prn. Amt.			X	
Celestica, Inc.	Debt	15101QAA6	\$7,838	22,000	Prn. Amt.			X	
Cellstar Corporation	Common	150925105	\$572	493,500	Shares			X	
Cellstar Corporation	Debt	150925AC9	\$24,053	67,995	Prn. Amt.			X	
Comcast Corp.-Special Class A	Common	200300200	\$904	25,200	Shares			X	
CMS Energy Corporation	Preferred	125896308	\$1,176	45,000	Shares			X	
Caremark RX, Inc.	Option	141705903	\$2,752	1,650		Call		X	
Caremark RX, Inc.	Option	141705953	\$1,251	750		Put		X	
CNF Trust I - Series A	Preferred	12612V205	\$281	7,500	Shares			X	
Canadian Nat'l Railway Co.	Preferred	136375409	\$7,825	145,920	Shares			X	
Cor Therapeutics, Inc.	Debt	217753AD4	\$17,749	20,416	Prn. Amt.			X	
Calpine Corporation	Option	131347956	\$566	248		Put		X	
Curagen Corporation	Debt	23126RAC5	\$3,145	4,625	Prn. Amt.			X	
Chase Industries, Inc.	Common	161568100	\$916	103,100	Shares			X	
CenturyT+A74eI, Inc.	Common	156700106	\$4,402	131,400	Shares			X	
Citrix Systems, Inc.	Debt	177376AB6	\$8,550	20,000	Prn. Amt.			X	
CV Therapeutics, Inc.	Debt	126667AB0	\$6,157	7,463	Prn. Amt.			X	
Cymer, Inc.	Common	232572107	\$848	50,600	Shares			X	
Cymer, Inc.	Debt	232572AC1	\$909	1,000	Prn. Amt.			X	
Citizens Utilities	Preferred	177351202	\$9,988	235,000	Shares			X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:			Column 6: Investment Discretion	Column 7:		Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call		Other Managers	Voting Authority	None	
Douclick, Inc.	Debt	258609AC0	\$4,810	7,400	Prn. Amt.		Sole			X	
Danaher Corporation	Common	235851102	\$958	20,300	Shares		Sole			X	
The Walt Disney Company	Common	254687106	\$1,061	57,000	Shares		Sole			X	
The Walt Disney Company	Option	254687956	\$3,771	2,025		Put	Sole			X	
Diamond Offshore Drilling	Debt	25271CAC6	\$9,723	20,100	Prn. Amt.		Sole			X	
Devon Energy Corporation	Debt	25179MAD5	\$5,236	11,700	Prn. Amt.		Sole			X	
Devon Energy Corporation	Common	25179M103	\$2,026	58,900	Shares		Sole			X	
Dynex Capital Inc.	Common	26817Q506	\$11	26,779	Shares		Sole			X	
Edison International	Option	281020957	\$526	400		Put	Sole			X	
Elan Corporation PLC	Warrant	284131703	\$4,608	77,600	Shares		Sole			X	
Enron Corporation	Common	293561106	\$485	17,800	Shares		Sole			X	
Enron Corporation	Option	293561906	\$2,723	1,000		Call	Sole			X	
Enron Corporation	Option	293561956	\$681	250		Put	Sole			X	
El Paso Corporation	Option	28336L959	\$2,078	500		Put	Sole			X	
Federated Dept. Stores	Option	31410H951	\$6,430	2,280		Put	Sole			X	
Federated Dept. Stores	Warrant	31410H127	\$852	549,400	Shares		Sole			X	
FEI Company	Debt	30241LAA7	\$5,516	7,000	Prn. Amt.		Sole			X	
FMC Corporation	Common	302491303	\$965	19,700	Shares		Sole			X	
Genesco, Inc.	Debt	371532AL6	\$12,970	13,510	Prn. Amt.		Sole			X	
Guidant Corporation	Option	401698905	\$1,925	500		Call	Sole			X	
Goldman Sachs Group, Inc.	Option	381416904	\$8,919	1,250		Call	Sole			X	
Goldman Sachs Group, Inc.	Common	381416104	\$1,356	19,000	Shares		Sole			X	
Global Crossing Ltd.	Common	G3921A100	\$441	244,850	Shares		Sole			X	
HCC Ins. Holdings, Inc.	Debt	404132AA0	\$8,200	8,000	Prn. Amt.		Sole			X	
Human Genome Sciences, Inc.	Debt	444903AF5	\$16,862	21,828	Prn. Amt.		Sole			X	
Household Int'l Inc.	Option	441815907	\$564	100		Call	Sole			X	
Household Int'l Inc.	Debt	441815AN7	\$6,093	7,750	Prn. Amt.		Sole			X	
Health Mgmt. Association	Debt	421933AA0	\$8,396	59,000	Prn. Amt.		Sole			X	
Health Mgmt. Association	Debt	421933AB8	\$2,244	3,100	Prn. Amt.		Sole			X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:			Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call			Sole	Shared None
HMT Technology Corporation	Debt	403917AD9	\$844	15,000	Prn. Amt.		Sole		X	
Hutchinson Technologies	Debt	448407AC0	\$4,646	5,295	Prn. Amt.		Sole		X	
ICO Inc.	Common	449293109	\$697	557,450	Shares		Sole		X	
Infineon Technologies - ADR	Common	45662N103	\$157	12,700	Shares		Sole		X	
Inhale Therapeutic Systems Inc	Debt	457191AH7	\$1,322	2,500	Prn. Amt.		Sole		X	
Inhale Therapeutic Systems Inc	Debt	457191AF1	\$614	974	Prn. Amt.		Sole		X	
Inhale Therapeutic Systems Inc	Debt	457191AC8	\$6,685	7,000	Prn. Amt.		Sole		X	
Intuit, Inc.	Option	461202903	\$1,790	500		Call	Sole		X	
International Rectifier Corp.	Debt	460254AE5	\$3,077	4,069	Prn. Amt.		Sole		X	
Intermune, Inc.	Debt	45884XAA1	\$4,213	3,500	Prn. Amt.		Sole		X	
I2 Technologies, Inc.	Debt	465754AF6	\$11,417	18,000	Prn. Amt.		Sole		X	
IT Group, Inc.	Preferred	465266302	\$9,041	501,072	Shares		Sole		X	
Jabil Circuit, Inc.	Debt	466313AA1	\$22,513	27,330	Prn. Amt.		Sole		X	
Johnson & Johnson	Common	478160104	\$347	6,262	Shares		Sole		X	
Juniper Networks, Inc.	Debt	48203RAA2	\$3,675	6,000	Prn. Amt.		Sole		X	
J P Morgan Chase & Co.	Option	46625H900	\$3,415	1,000		Call	Sole		X	
Krispy Kreme Doughnuts Inc.	Common	501014104	\$2,546	86,000	Shares		Sole		X	
Krispy Kreme Doughnuts Inc.	Option	501014904	\$1,480	500		Call	Sole		X	
K Mart Corporation	Option	482584909	\$2,654	4,003		Call	Sole		X	
Komag Inc.	Common	500453105	\$55	2,726,305	Shares		Sole		X	
Lamar Advertising Company	Debt	512815AF8	\$2,303	2,500	Prn. Amt.		Sole		X	
Laboratory Corp. Amer. Hldgs.	Option	50540R909	\$4,043	500		Call	Sole		X	
Liberty Media Corporation	Common	530718105	\$2,858	225,000	Shares		Sole		X	
Lodgian, Inc.	Common	54021P106	\$26	235,800	Shares		Sole		X	
Lowes Companies, Inc.	Option	548661907	\$9,495	3,000		Call	Sole		X	
Lowes Companies, Inc.	Option	548661957	\$791	250		Put	Sole		X	
LSI Logic Corporation	Option	502161902	\$3,525	3,000		Call	Sole		X	
LSI Logic Corporation	Debt	502161AD4	\$9,894	9,676	Prn. Amt.		Sole		X	
Limited, Inc.	Common	532716107	\$1,441	151,700	Shares		Sole		X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Leap Wireless Int'l Inc.	Common	521863100	\$361	23,000	Shares	Sole		Sole	X
Manugistics Group, Inc.	Debt	565011AB9	\$4,780	8,500	Prn. Amt.	Sole		Sole	X
MDC Corp - Class A	Common	55267W309	\$409	200,000	Shares	Sole		Sole	X
Medarex, Inc.	Debt	583916AA9	\$4,763	6,000	Prn. Amt.	Sole		Sole	X
Merrill Lynch & Co., Inc.	Option	590188958	\$2,030	500		Put		Sole	X
Merrill Lynch & A195Co., Inc.	Debt	590188A65	\$23,003	47,923	Prn. Amt.	Sole		Sole	X
Mercury Interactive Corp.	Debt	589405AB5	\$3,026	4,500	Prn. Amt.	Sole		Sole	X
Capstar Hotel Corporation	Debt	140918AC7	\$4,578	5,723	Prn. Amt.	Sole		Sole	X
Mirant Trust I	Preferred	60467Q102	\$1,420	27,500	Shares	Sole		Sole	X
Phillip Morris Cos., Inc.	Common	718154107	\$1,816	37,610	Shares	Sole		Sole	X
Microsoft Corporation	Common	594918104	\$6,483	126,699	Shares	Sole		Sole	X
Micron Technologies	Option	595112953	\$7,061	3,750		Put		Sole	X
Micron Technologies	Option	595112903	\$941	500		Call		Sole	X
Morgan Stanley Dean Witter	Option	617446448	\$4,635	1,000		Call		Sole	X
Newfield Financial Trust I	Preferred	651291205	\$2,169	45,185	Shares	Sole		Sole	X
NRG Energy, Inc.	Corp Units	629377201	\$487	26,134	Shares	Sole		Sole	X
Nortel Networks Corporation	Common	656568102	\$4,516	805,000	Shares	Sole		Sole	X
Nortel Networks Corporation	Option	656568902	\$281	500		Call		Sole	X
News Corp. LTD	Sp. ADR	652487703	\$362	15,000	Shares	Sole		Sole	X
Nextel Communications, Inc. A	Option	65332V903	\$1,299	1,500		Call		Sole	X
Omnicom Group	Option	681919906	\$5,192	800		Call		Sole	X
Plum Creek Timber Co. Inc.	Common	729251108	\$3,214	120,324	Shares	Sole		Sole	X
Sprint Corporation	Preferred	852061605	\$79,079	2,907,300	Shares	Sole		Sole	X
Sprint Corporation	Option	852061906	\$10,174	3,870		Call		Sole	X
Protein Design Labs, Inc.	Debt	74369LAB9	\$4,715	5,063	Prn. Amt.	Sole		Sole	X
Pfizer, Inc.	Option	717081903	\$2,005	500		Call		Sole	X
Pioneer Std. Electronics Inc.	Common	723877106	\$1,162	128,807	Shares	Sole		Sole	X
Perkinelmer, Inc.	Debt	714046AA7	\$12,343	24,172	Prn. Amt.	Sole		Sole	X
Perkinelmer, Inc.	Common	714046109	\$1,425	54,300	Shares	Sole		Sole	X



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				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Phototronics, Inc.	Debt	719405AA0	\$15,267	16,350	Prn. Amt.	Sole		X	
Price Communications Corp.	Common	741437305	\$2,034	120,000	Shares	Sole		X	
Providian Financial Corp.	Debt	74406AAB8	\$7,519	26,500	Prn. Amt.	Sole		X	
Providian Financial Corp.	Option	74406A902	\$1,008	500		Call		X	
Rite Aid Corporation	Common	767754104	\$1,559	202,000	Shares	Sole		X	
Revlon Inc. - Class A	Common	761525500	\$236	45,000	Shares	Sole		X	
RF Microdevices, Inc.	Option	749941900	\$831	500		Call		X	
Radisys Corporation	Debt	750459AB5	\$5,179	8,490	Prn. Amt.	Sole		X	
Sanmina Corporation	Debt	800907AB3	\$8,200	9,214	Prn. Amt.	Sole		X	
School Specialty, Inc.	Common	807863105	\$306	10,000	Shares	Sole		X	
SCI Systems, Inc.	Option	783890906	\$900	500		Call		X	
SCI Systems, Inc.	Common	783890106	\$292	16,200	Shares	Sole		X	
SCI Systems, Inc.	Debt	783890AF3	\$1,781	2,500	Prn. Amt.	Sole		X	
Siebel Systems, Inc.	Common	826170102	\$441	33,926	Shares	Sole		X	
Siebel Systems, Inc.	Option	826170902	\$6,505	5,000		Call		X	
Siebel Systems, Inc.	Debt	826170AC6	\$5,861	6,169	Prn. Amt.	Sole		X	
Sealed Air Corporation	Preferred	81211K209	\$1,756	44,460	Shares	Sole		X	
Sealed Air Corporation	Option	81211K900	\$6,568	1,800		Call		X	
General Semiconductor, Inc.	Debt	370787AB9	\$23,995	24,360	Prn. Amt.	Sole		X	
Sepracor, Inc.	Option	817315904	\$898	250		Call		X	
Sepracor, Inc.	Debt	817315AL8	\$1,666	2,500	Prn. Amt.	Sole		X	
Sepracor, Inc.	Debt	817315AH7	\$5,314	6,500	Prn. Amt.	Sole		X	
Silicon Graphics, Inc.	Debt	827056AC6	\$1,083	8,098	Prn. Amt.	Sole		X	
Siliconix, Inc.	Common	827079203	\$6,996	329,200	Shares	Sole		X	
Soclectron Corporation	Debt	834182AK3	\$5,610	12,000	Prn. Amt.	Sole		X	
Soclectron Corporation	Debt	834182AL1	\$19,076	50,200	Prn. Amt.	Sole		X	
Semtech Corporation	Debt	816850AD3	\$17,226	18,800	Prn. Amt.	Sole		X	
SPX Corporation	Debt	784635AD6	\$9,244	17,400	Prn. Amt.	Sole		X	
SPDR Tr.	Common	78462F103	\$21,170	202,700	Shares	Sole		X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Services Corp. Int'l.	Debt	817565AU8	\$2,170	2,000	Prn. Amt.	Sole		X	
STMicroelectronics - NV	N4 Regist	861012102	\$389	19,007	Shares	Sole		X	
Stillwell Financial Inc.	Debt	860831AC0	\$2,890	4,000	Prn. Amt.	Sole		X	
Tivo, Inc.	Common	888706108	\$199	60,000	Shares	Sole		X	
Triac Companies, Inc.	Debt	895927AB7	\$2,115	6,000	Prn. Amt.	Sole		X	
Tyco International Ltd.	Option	902124906	\$4,550	1,000		Sole	Call	X	
Tyco International Ltd.	Option	902124956	\$4,641	1,020		Sole	Put	X	
Tyco International Ltd.	Debt	902124AC0	\$89,578	122,291	Prn. Amt.	Sole		X	
Tyco International Ltd.	Common	902124106	\$8,017	176,200	Shares	Sole		X	
UAL Corporation	Common	902549500	\$913	50,000	Shares	Sole		X	
Union Pacific Corporation	Common	907818108	\$665	14,183	Shares	Sole		X	
United Rentals Inc.	Option	911363959	\$260	150		Sole	Put	X	
Vodafone Grp. PLC-Sp. ADR	Sp. ADR	92857W100	\$26,329	1,209,462	Shares	Sole		X	
Veritas Software Company	Option	923436909	\$6,454	3,500		Sole	Call	X	
Vishay Intertechnology, Inc.	Option	928298908	\$644	350		Sole	Call	X	
Vishay Intertechnology, Inc.	Common	928298108	\$7,412	402,800	Shares	Sole		X	
Williams Communications Grp.	Common	969455104	\$39	32,896	Shares	Sole		X	
MCI Worldcom, Inc.	Option	98157D906	\$12,032	8,000		Sole	Call	X	
Weatherford Int'l, Inc.	Debt	947074AB6	\$5,028	9,486	Prn. Amt.	Sole		X	
Western Gas Resources, Inc.	Preferred	958259301	\$2,106	49,850	Shares	Sole		X	
XM Satellite Radio Hldgs. Inc.	Debt	983759AA9	\$4,228	11,125	Prn. Amt.	Sole		X	
Xerox Corporation	Common	984121103	\$318	41,000	Shares	Sole		X	
E Bay, Inc.	Option	278642903	\$2,828	500		Sole	Call	X	
Qualcomm Inc.	Option	747525903	\$2,675	500		Sole	Call	X	
Quest Comms Int'l Inc.	Option	749121909	\$577	500		Sole	Call	X	
Maxim Integrated Products	Option	57772K901	\$2,685	500		Sole	Call	X	
Noble Drilling Corporation	Option	655042959	\$714	250		Sole	Put	X	
Oracle Corporation	Option	68389X905	\$766	500		Sole	Call	X	
Genetech, Inc.	Option	368710906	\$2,736	500		Sole	Call	X	

**Form 13F**  
**STARO ASSET MANAGEMENT**

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:			Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call			Voting Authority	None
Carnival Corporation	Option	143658952	\$2,394	1,000		Put	Sole		X	
McData Corporation	Option	580031902	\$1,243	710		Call	Sole		X	
Dell Computer Corporation	Option	247025909	\$1,321	500		Call	Sole		X	
Lehman Brothers Holdings	Option	524908900	\$3,291	500		Call	Sole		X	
Intel Corporation	Option	458140900	\$1,402	500		Call	Sole		X	
KLA-Tencor Corporation	Option	482480900	\$2,400	500		Call	Sole		X	
<b>Sheet A General Holdings Totals:</b>			<b>\$1,162,601</b>							
<b>Sheet B Risk Arb Totals:</b>			<b>\$123,139</b>							
<b>AGGREGATE TOTALS:</b>			<b>\$1,285,740</b>							

**Form 13F**  
**STARO ASSET MANAGEMENT**

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5: Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call	Column 6: Investment Discretion	Column 7: Other Managers	Column 8:			
									Voting	Shared	Authority	
									Sole	Shared	None	
Risk Arb Holdings												
Barrick Gold Corp.	Common	067901108	\$1,839	106,000	Shares		Sole		X			
American International Group	Option	026874907	\$3,900	500		Call	Sole		X			
American Bancorporation	Common	024076408	\$2,293	127,400	Shares		Sole		X			
Argosy Ed. Group, Inc. - A	Common	040222101	\$577	49,100	Shares		Sole		X			
Borel Bk & Tr San Mateo	Common	09972F101	\$349	10,000	Shares		Sole		X			
Bank Plus Corporation	Common	064446107	\$3,973	580,000	Shares		Sole		X			
Commercial Bank of NY	Common	201462108	\$3,400	103,980	Shares		Sole		X			
Community Savings Bankshares	Common	204037105	\$555	30,000	Shares		Sole		X			
Compaq Computer Corp.	Common	204493100	\$2,194	264,000	Shares		Sole		X			
Dean Foods Company	Common	242361103	\$10,009	216,410	Shares		Sole		X			
Echostar Communications	Option	278762959	\$2,327	1,000		Put	Sole		X			
Echostar Communications	Debt	278762AD1	\$25,639	32,250	Prn. Amt.		Sole		X			
Expedia Inc. - Class A	Common	302125109	\$6,073	250,000	Shares		Sole		X			
General Motors - Class H	Common	370442832	\$333	25,000	Shares		Sole		X			
GPU, Inc.	Common	36225X100	\$8,072	200,000	Shares		Sole		X			
Gucci Group NV	Common	401566104	\$3,237	39,578	Shares		Sole		X			
Intnl Game Technology	Common	459902102	\$3,400	80,000	Shares		Sole		X			
Intnl Game Technology	Option	459902902	\$12,750	3,000		Call	Sole		X			
Insight Health Services Corp.	Common	45766Q101	\$1,615	94,300	Shares		Sole		X			
Ledger Capital Corp.	Common	523283109	\$535	30,100	Shares		Sole		X			
Mitchell Energy & Dev.-Class A	Common	606592202	\$3,719	74,200	Shares		Sole		X			
Niagra Mohawk Hldgs. Inc.	Common	653520106	\$9,763	575,300	Shares		Sole		X			
Orion Power Holdings, Inc.	Common	686286105	\$5,738	225,000	Shares		Sole		X			
Ralston Purina Company	Common	751277302	\$1,640	50,000	Shares		Sole		X			
Anchor Gaming	Common	033037102	\$7,163	172,600	Shares		Sole		X			
Georgia-Pacific (Timber Grp.)	Common	373298702	\$290	8,000	Shares		Sole		X			
USA Networks, Inc.	Option	902984903	\$3,596	2,000		Call	Sole		X			
<b>Sheet B Risk Arb Totals:</b>			<b>\$123,139</b>									
<b>AGGREGATE TOTALS:</b>			<b>\$1,285,740</b>									